15 September 2025

BERMUDA MONETARY AUTHORITY

Dear Stakeholders,

The Bermuda Monetary Authority (Authority or BMA) wishes to thank stakeholders for their engagement as we endeavour to draft and implement an Operational Resilience (Op Res) framework suitable for Bermuda's financial sector. We remain committed to fostering an effective and forward-looking regulatory environment that aligns with international best practices while providing operational flexibility.

As part of these ongoing improvements, we sought stakeholder feedback on the Op Res framework as proposed within the Operational Resilience and Outsourcing Code (Code) and associated Guidance Notes (GN). In the appendix below, we have detailed the responses to the feedback received and the resulting regulatory approach.

We have also today published the updated Code and Guidance Notes in both a tracked change and clean version.

The Code will come into effect for Relevant Entities (REs) licenced under the Banks and Deposit Companies Act 1999 on 1 January 2027 and for all other REs on 31 March 2028.

Next Steps

The Authority will proceed with finalising the Op Res provisions, including any legislative amendments, ahead of the coming into force of the Code and GN for respective entities. All corresponding legislative instruments will be subject to further public consultation before implementation.

If you require further clarification or would like to provide additional input, please contact policy@bma.bm.

Sincerely,

The Bermuda Monetary Authority

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Topic	#	Paragraph	Comment	BMA Response
1. General	1.1	N/A	Concerns were raised that it may be a challenge to achieve certain Op Res requirements such as testing and self-assessments within the timeframes as set out in the Code.	The Code section XVI. Implementation has been changed for REs licensed under the BDCA, which are now required to adhere to the requirements by 01 January 2027 (previously 31 March 2026).
	1.2	N/A	Clarity was sought on the proposals in the consultation paper for a 'no objection' regime whereby it was stated that REs would need to notify the Authority of new outsourcing arrangements and wait 30 days before proceeding in case of an objection from the Authority. Some respondents felt this could impede business operations or add uncertainty into the outsourcing process.	The Authority believes the 30-day period will provide sufficient time for the Authority to assess new outsourcing arrangements, subject to the RE providing appropriate information on a timely basis. REs are encouraged to engage with the Authority in advance of submitting a formal notification.
2. Operational Resilience vs. Operational Risk	2.1	37 Code	N/A	The word "mitigation" was removed from paragraph 37 of the Code to avoid any confusion of Op Res with a risk management exercise.
	2.2		A suggestion was put forward to consider operational resilience as an evolution of operational risk rather than a separate concept.	Recognising that ensuring Op Res is an ongoing (evolutionary) activity whilst operational risk can be mitigated through financial resilience. Financial resilience does not ensure operational resilience.
3. Scope	3.1	10-12 Code	It was suggested that the BMA explicitly provides a scoring system for the *"proportionality principle"*, including a questionnaire to help REs determine operational resilience risk.	The expectation of the BMA is that REs, to which the Code applies, have taken into account the measures set out in the Code and the RE should put in place policies and procedures commensurate with the risks of their business.
	3.2	N/A	Queries were raised regarding the Code's applicability—whether it is limited to the REs or will be applicable to branches in	The Code applies to all REs licensed by the BMA. While regulators in other jurisdictions follow their own supervisory practices based on local regulations, any RE licensed in

			other jurisdictions whose parent company is licensed and supervised by the BMA. One suggestion was for the BMA to adopt a substituted compliance approach, allowing foreign-based entities to comply with equivalent overseas regulations.	Bermuda—including its overseas branches—must comply with the requirements outlined in this Code.
	3.3	N/A	Clarification was sought on whether the Authority intends for the Code oversight to primarily cover Digital Resilience in line with the European Union Digital Operational Resilience Act (DORA), given the importance of technology to the way businesses operate in today's environment; or whether the Authority intends the Code to encompass the operational resilience of the entire business.	The Code sets out the requirements of the framework (which include the policies and procedures that a RE should have or put in place) that the RE should fulfil.
	3.4	N/A	Queries were raised about the Code's applicability to Corporate Service Providers (CSPs), since they only provide incorporation and corporate administration services, not transactional business services. Questions were also asked about why such administrative services are classified as reportable IBS, given that most CSPs do not hold any client funds.	Regulated entities need to determine for themselves whether failure of their administrative services would cause significant harm to their clients and therefore should be classified as IBS. In those cases, the impact tolerance (measured in time) should be determined accordingly.
	3.5	6-9 Code	There was an acknowledgment of the Code's proposed objectives, albeit with an emphasis on distinguishing that business development involving digital assets does not automatically constitute a financial service. It was suggested that the scope clearly specify its applicability to both the	Digital Asset Businesses (DABs) holding a Class F licence fall under this code irrespective of the granularity of their business model. DABs can, in turn, determine whether any of their services provided should be considered IBS as per the criteria set out in the Code and additional information in the GN.

			financial sector as well as digital asset enterprises in Bermuda.	
	3.6	118 Code	Clarification was sought on the requirement for REs established during the transitional phase as to when to adhere to the tenets of the Code - immediately or from its date of publication?	As with other existing legislation, Rules and Codes, all REs that are subject to the requirements must comply by the end of their respective transitional period. After the transition date, all new REs will be expected to adhere to the obligations outlined in the Code.
	3.7	N/A	A point was raised on the difficulty in categorising business to business ("B2B") REs in the same way as business to consumer ("B2C"). In addition, the BMA was asked to consider and define the difference between Operational Resilience-related risks impacting 'retail'/natural person-type business services and business-to-business type risks.	An IBS may be offered to both retail and to corporate clients, but the impact of an outage, and therefore the harm caused, may vary across clients. Consequently, REs should consider whether it is appropriate to set different impact tolerances for the same or a similar service provided to different types of clients.
4. Governance	4.1	9 and 21 Code	Clarification was sought on whether the board can delegate the duty to review to an appropriate committee or other delegated responsible party.	The Code has been amended requiring REs to prove board approval of Op Res governance and programmes, with relevant parties reviewing the governance for continued relevance. Para. 21 is now rewritten to state that the board, though it can delegate tasks, is ultimately responsible for Operational Resilience. Para. 25 has also changed from 'delegated committee' to 'delegated responsible party' to maintain consistency. The responsible party designation process is meant to be determined internally by the RE as part of their management structure, and it does not require obtaining approval from the BMA.
	4.2		Clarity was sought on the Chief Operating Officer (COO) role and specific accountabilities for the COO equivalent in REs.	We wish to give REs as much flexibility as possible in how they manage their business operations. The wording used allows REs to designate responsible persons in accordance with their

				organisational structure, providing the arrangement is effective. (i.e., not all firms may have a COO role).
	4.3	Section 2, Page 6 GNs	Additional clarification on Board roles and Senior Management, GNs wording inconsistent with the Code, but also with the board's role and responsibilities as outlined in the BMA's 2012 Corporate Governance Policy for banks and deposit companies was also raised.	GNs Section 2 page 6 has been changed to match the language in the Code in this area. In addition, the Authority notes the feedback highlighting the relationship between this Code and the 2012 Corporate Governance Policy and will look to update and codify the Corporate Governance Policy for Banks and Deposit companies at a later date.
	4.4	21-33 Code	Further clarity was sought on the level of documentation which must be reviewed and approved by the Board and whether senior management review can be a substitute if a summary of the review is provided to the Board for their approval.	The BMA will not prescribe the level of the documentation; the regulatory requirement is that the Board is effective in the oversight of Op Res and its outcomes. This in turn determines the level of documentation the Board will need to carry out its responsibilities.
	4.5		A query was raised as to whether the BMA expects the REs to have separate documents (policy, processes, procedures and management information) to record the Op Res lifecycles, domains and activities or if REs can incorporate the Op Res requirements into existing policy and plans.	The Code and GNs do not specify whether Op Res requirements should be in a new set of policies and procedures or existing policies and procedures, as long as they are appropriately documented and effectively implemented.
	4.6		Additional guidance was requested for entities which are part of a larger group on how, in such circumstances, policies and procedures which are usually determined at a Group level should be extended to the Bermuda RE.	Global policies and procedures should be reviewed and updated to ensure they are tailored and applicable to local requirements.
5.0 Notification	5.1	33 Code	Clarification was sought on the notification criteria, as the words ‘or before’ may have the potential to create false positives. The existing paragraph 33	The words “or before” have now been deleted.

			of the Code states, "….the RE notifies the Authority of any significant developments when or before they occur".	
	5.2		Additional guidance was sought for paragraph 33, on how soon notification is expected for significant developments.	Firms should consider whether changes to outsourcing, business model or changes to important business services to clients constitutes a significant development that should be notified to the authority as per paragraph 33 of the Code.
	5.3		Additional guidance was sought on "significant developments" or examples concerning what may be considered a "significant development" in the context of this notification requirement.	Due to regulated entities' varying in size and nature of their business, the BMA cannot be prescriptive in giving examples for determining "significant developments".
	5.4	78 Code	Clarification on notification criteria (IBS falling out of tolerance), and also mainly concerns regarding the term *"within 24 hours"* timeline to notify the BMA when an IBS breaches the impact tolerance threshold were also raised.	Para. 78 has been changed and now reads *"REs must notify the BMA within 24 hours from the time that the RE is made aware of the failure to keep important business services within impact tolerance".* This requirement will be set out in law.
	5.5		Clarification was requested on the IBS outage notification mechanisms in place and the process through which this would work.	Notification can be made to the RE's main BMA supervisor via telephone or email. If contact is initially made by phone, it needs to be followed up with an email.
	5.6		Clarification was sought on whether there is flexibility in communication based on long holiday periods in some countries.	Important business services may need to be provided on a 24/7 basis. Therefore, monitoring and notification to the Authority must reflect the importance of the service
	5.7		Queries were raised regarding whether the BMA will publish standard submission templates to inform the BMA on outsourcing of "critical activities."	The BMA will not provide standardised templates. REs are responsible for preparing clear and comprehensive submissions, detailing the nature of outsourcing arrangements, associated risks and mitigation measures. In addition, the term

				"critical activities" has been updated to "important activities" in the Code in order to standardise terms."
6.0 Definitions and Terminology	6.1	N/A	A comment was made that the Code has definitions that are very broad. Delimiting its scope to understand when something is considered material or significant for the regulator would provide a better understanding of how to comply with the Code.	We consider this would be too prescriptive as the BMA regulates a wide variety of entities of different sizes and business models.
	6.2	Code and GNs (all)	Several respondents identified / commented on inconsistencies in some of the 'terms' used in the Code and GNs, the interchangeable use of some 'terms' and others requested minor clarifications in regard to some parts of the Code.	Most of these suggestions have been accepted and are now reflected in the updated Code and GNs.
	6.3	9 Code	Clarification was requested as to whether paragraph 9 of the Code covered regular Op Res oversight or event-based information.	Paragraph 9 has been edited to clarify it is about regular Op Res oversight and not event reporting which is covered in paragraph 78 of the Code.
	6.4	13 Code	Some respondents asked for clarification on the term 'consumer' and 'customer' as they were both used in the Code and GNs. In addition, clarity was sought on how these terms would apply to the insurance industry with regard to reinsurers and policyholders.	To ensure consistency and to align with other BMA publications, the term client has now been used throughout the Code and GN.
	6.5	Part XVII Code and Part XIII	A point was raised that outsourcing terminology, mainly the terms "outsourcing arrangement," "third party service provider," "third parties," and	The choice of terminology was consciously made, and the terms were not used interchangeably. • A "third party" represents an entity distinct from the RE.

		GNs – Appendix A	"outsourced services" are all currently used interchangeably.	• A service, previously managed internally but now delivered by a third party, is identified as an "outsourced service." • A third party evolves into a "third party service provider" upon commencing service delivery to a regulated entity. • A "third party" commences service delivery to an entity following an agreement detailing the provisions of such service, known as the "outsourcing arrangement."
	6.6		Several queries/comments were raised regarding the 'Definitions' section (Appendix A) being present in the GNs but not in the Code. It was stated that referencing the GNs definitions from within the Code makes it more difficult for the reader. Requests were made to the BMA to align definitions in both the Code and GNs.	Appendix A has been provided to assist REs with understanding terminology used in the Code.
	6.7		A request was made to align BMA definitions to definitions adopted by the Financial Stability Board under the Compendium of Standards or to use definitions that may be adopted by other financial sector global standard setters.	The Authority has sought to use generally recognised terminology, acknowledging the fact that there is no globally agreed single definition lexicon for Op Res terminology.
	6.8	16 and 36 Code	A request was made for a more generic label for the term "playbook", i.e., "playbook/process documentation" to be added to the regulation.	"Playbook" is a generic industry term. The expectation is that there is a properly documented process to follow in the event of a disruptive scenario.

	6.9	N/A	A query was raised as to whether the BMA should be considered as an "external end user".	No, the BMA is not an "external end user".
	6.10	Code and GNs (all)	A request was made to replace the term "SLA" with "operational, functional, and technical service performance levels and requirements, including relevant key performance indicators (KPIs)."	The Code and GN have been reviewed in light of this feedback. One instance in the Code and one instance in the GN have been changed. The remaining instances where this term is used are unchanged as they are appropriate.
	6.11	50 Code	Clarity was sought on more specific definition of "harm", more definitive guidance on what constitutes "harm" and more illustrative examples of "harm".	The BMA recognises that REs will have different business models and failures of operational resilience will have different impacts on their clients. Consequently, REs will need to assess for themselves whether significant harm could impact their clients due to a failure of an IBS. Given that important business services will vary from sector to sector, providing examples may be inferred that only those examples should be considered.
7. Important Business Services (IBS)	7.1	N/A	A request was made for enhancement of the Guidance Notes with examples of IBS.	Given that IBS will vary from sector to sector, providing examples may be inferred that these are the only IBS that licenced entities should consider.
	7.2	Code and GNs (all)	A clear definition of critical activities was requested as the determination of factors to be used to assess the criticality have been left to RE's management, which may lead to the BMA determining an activity to be critical which was not so determined by the company.	The BMA acknowledges that with varying business models and diverse client types among regulated entities, disruptions in operational resilience can have different impacts on their clients. Therefore, it is incumbent upon each RE's management to identify IBS. Reflecting this understanding, the term "critical" has been replaced with "important" throughout the Code and Guidance Notes (GN).
	7.3	Parts X and XI Code	A request was made for the BMA to consider issuing sector-specific guidance to help establish minimum impact tolerances for IBS, especially critical for payment services in Bermuda's banking	REs approach to establishing minimum impact tolerances for IBS should be with a client centric view, therefore consideration must be given as to when and where a failure occurs at an RE or its counterparties, which client is being affected, the sender or the receiver.

			industry due to the absence of a central payment system.	
	7.4		Clarification was sought as to whether non-client facing critical support functions such as treasury and financial reporting may be included as an IBS.	Non-client facing critical support functions are not considered as an IBS but rather are internal processes that may be supporting an IBS and therefore should be included in the mapping process.
	7.5		Clarification was requested as to whether REs are expected to show that they have assessed different impact tolerances for customer subgroups, in addition to determining the importance of business services.	REs are expected to show they have assessed impact tolerances for IBS. Impact tolerances may vary depending upon the service and the type of clients affected.
8.0 Self-Assessment and Remediation Reporting	8.1	109 Code	Clarification was sought on paragraph 109 of the Code, mainly whether the self-assessment is on an "as-needed" basis or annually.	Self-assessments should be conducted on an annual basis
	8.2		Will the BMA provide a standard template for the self-assessment?	No, the BMA will not provide a standard template for the self-assessment. The reason for this decision is that regulated entities operate under varied business models and cater to different client types. As a result, a standardised template may not adequately cater to these differences and unique individual requirements. Entities are encouraged to develop a self-assessment approach that is tailored to their business model, operational structure, and specific client type.
	8.3	56 Code	A query was raised whether paragraph 56 may lead to a benchmarking exercise by the BMA in defining the number of services by institution size, leading to over-identification of important business services.	It is essential to outline that the determination of an RE's IBS rests solely with the RE, not the Authority. This approach reinforces the RE's ownership and understanding of its operational structure, hence ensuring its strategies align with its unique business model, operational structure, and specific client type.

	8.4	13.3 Code	Clarification was sought on remediation reporting requirements, i.e., remedial action status and whether there will be further regular and specific ongoing reporting requirements.	Section 13.3, Paragraph 100 states that RE's should share remediation plans, including timeframes, with the BMA as part of the RE's open and proactive engagement with the Authority. At this time, the Authority is not specifying the requirement for specific ongoing reporting requirements.
	8.5		Clarification was requested on remediation timelines, or a more prescriptive timeline for the expectation where identified vulnerabilities are to be addressed promptly.	The BMA cannot prescribe timelines for addressing vulnerabilities as these depend on the nature of the vulnerabilities themselves and the entity's size and nature of the business.
	8.6		A point was raised that it is quite unusual to have a requirement for an entity to share the remediation based on testing conducted.	All REs should be open with their regulatory authorities and consequently the sharing of remediation plans based on testing conducted should be a matter of business-as-usual engagement with the Authority.
	8.7	109 Code	Clarification was sought on when the first self-assessment would be due.	The self-assessment should be completed within one year following the relevant transitional period and on an annual basis thereafter. It is not considered "due" as it is not submitted to the BMA on a specific date (unlike statutory returns). Instead, it must be retained for five years and provided to the BMA upon request.
	8.8	114 Code	A concern was raised that paragraph 114 of the Code was worded in a way that raises expectations of the board delving into operational matters.	As a result of this feedback, paragraph 114 has been reworded to *"The self-assessment must be reviewed by senior management or delegated responsible party or committee prior to being approved by the board."* In addition, the phrase *"prior to submission"* has been removed.
	9.1	13.1 and 13.2 Code	With respect to BCP/DR testing, clarification was sought on the minimal	The minimal requirement is annually as stated in both the Op Res Code and the sector's relevant Cyber Code.

9. Testing			requirement of review frequency and regular testing.	
	9.2		Clarification was sought on whether testing is to have been completed by the end of the transition period, or whether those requirements come into force at the end of the transition period.	The requirements for testing come into force at the end of the transition period, however REs should consider testing during the transitional period as good business practice.
	9.3		Feedback was received recommending the BMA to consider providing examples of good and poor practices on design criteria and scenario testing outputs. In addition, the BMA was requested to provide an indication of the number of scenarios to be included.	The BMA will not be providing testing examples nor the number of scenarios to be included. Design and testing need to be specific and relevant to the RE and its clients. REs should want to ensure their own op resilience, and therefore they should seek to ensure that the scenarios they select are appropriate for their business.
	9.4		Guidance was sought on the minimum requirements for testing and what constitutes a valid test with identifiable end points on what is required for 4th and 5th parties' capabilities.	The BMA cannot provide minimum requirements due to the diverse nature of REs' businesses, IBS, size, complexity, and outsourcing arrangements. REs are expected to test in conjunction with third parties though REs should be aware of any sub-contracting by third parties.
	9.5	88 Code	Clarity was sought on how extensive the tests should be, as the development of playbooks requires time and resources.	Para. 88 sets out the criteria to help design test plans in terms of scope and details.
	9.6		Clarification was sought as to whether testing playbooks are meant for technology-related tests or for all resources.	A comprehensive playbook would include testing all relevant resources underlying an IBS.
	9.7		A question was raised as to whether the Authority expects all identified severe but plausible scenarios and all five resources underpinning an IBS are required to be	If an RE has identified a severe but plausible scenario that could impact its IBS, this should form part of the self-assessment and include relevant resources.

			tested annually and covered in the self-assessment.	
	9.8	13.2 Code	A request was made for further guidance on how to incorporate Business Continuity Plan (BCP) testing into Op Res testing to avoid duplication of efforts by a RE.	As Op Res IBS relates to client facing activities, REs may consider whether BCP tests covering IBS can be incorporated in Op Res testing to avoid duplicative efforts.
	9.9		Feedback noted the requirements may be overly prescriptive for global organisations with operations in Bermuda that outsource their IT functions to their group IT rather than manage them locally.	Where a RE outsources a service to another part of a group, it should still undertake adequate due diligence to ensure the BMA RE complies with the Code. The BMA RE must still ensure that any global Op Res plans are tailored and relevant locally.
	9.10		Queries arose as to whether REs could lean on the certifications of reputable third-party vendors or if independent testing by the REs was expected. Further clarification was requested regarding how REs might manage testing performed by a third party, and if the BMA anticipates the RE to take responsibility for the third party's approach to executing the testing.	Where appropriate, REs should undertake testing exercises in collaboration with third-party providers. The responsibility of selecting any third parties for conducting testing lies with the RE. Therefore, the RE also holds responsibility for the appropriateness of the tests and the validation of the results, ensuring their accordance with the entity's specific needs and standards.
	9.11	98 Code	For intra-group arrangements, guidance was sought on testing of intra-group arrangements "whether deemed to carry less risk or not".	In paragraph 98, the words *"whether deemed to carry less risk or not"* have been removed as it causes confusion with a risk management exercise. The focus is on testing of an IBS provided through intra-group arrangements.
	9.12	94 Code	Clarification was sought on the *"material"* risk of testing on a live system, as all live system tests will have some degree of risk and the Code may give the impression that no live system testing could reasonably be undertaken.	Paragraph 94 states that testing must not be conducted in a manner that risks jeopardising live systems and services.

	9.13	8 Code	Clarification was sought on *"stress"* testing, and whether it is introducing new requirements.	Paragraph 8 has been amended by changing the term from *"stress"* to *"scenario"* testing.
	9.14	Part XIII Code	A request was made for the focus of testing to be expanded to specifically include service acceptance testing.	The purpose of the code is to ensure the continuity of IBS to clients. Service acceptance testing should be considered by firms as part of their procurement and onboarding process for outsourced services.
10. Communication Plans	10.1	Part XII Code	Feedback was received that it may be implausible to create and test communication plans for the multitude of scenarios that could be identified.	The Authority recommends creating and testing communication plans for the most impactful scenarios and then tailor them accordingly if deemed necessary.
	10.2	Page 16 GNs	Clarity is sought regarding where responsibility for communication plans lies in terms of group and local entities, since IBS are likely to be determined at a group level, including scenario testing with specifics for the local entity or subsidiary.	A communication plan developed at a group or overseas level must be reviewed and adapted to ensure it is practical and applicable at the local level. The Code applies specifically to BMA-licensed REs, so any communication plan, whether group-wide or local, must be relevant and tailored to the operations of the BMA-licensed RE.
	10.3	85 Code	Feedback was received that it is not always possible or practical to test communication plans.	The first instance of the use of the word *"must"* has been changed to *"should."*
11.0 Outsourcing	11.1	Appendix A – GNs	Clarification of the term *"Outsourcing"* was requested by some respondents.	The following change has been made: *"could"* has been replaced by *"would"* in *"…provision of services by the RE itself that could otherwise be undertaken by that RE."*
	11.2	41 Code	Feedback was received that the board should not delve into operational matters as it could be disruptive to daily operations.	Paragraph 41 has been reworded to *"The board is responsible for ensuring a robust risk management process is reviewed, approved, implemented and overseen by senior management for evaluating, selecting and monitoring outsourcing vendors."*
	11.3	21 Code	Clarification was requested which level of senior management is required for ensuring the due diligence on outsourcing	The BMA does not prescribe a specific level of senior management oversight, as this depends on the size and

			vendors (i.e., CEO/COO) or whether this role could be delegated.	management structure of the entity. However, it is essential that the oversight ensures effective due diligence
	11.4	Code and GNs (all)	A clearer definition of *"material outsourcing"* was requested as the guidance outlines *"critical"* outsourcing.	The Code and GNs have been reviewed. The term *"critical business service"* has been replaced with *"important business service"* where applicable. In addition, the term *"outsourcing arrangement" has* been replaced with *"material outsourcing arrangement"* where applicable. Usage of the terms has been standardised throughout.
	11.5	N/A	Feedback was received that it would be helpful if the Authority could provide detailed guidance on defining the criteria for determining material outsourcing arrangements, to ensure consistent interpretation and application across the different financial sectors.	As outlined in the Guidance the Senior Management of the RE is responsible for determining if an outsourcing arrangement should be considered material.
	11.6	118 Code	Clarification was sought as to whether entities would need to notify the Authority of such a newly identified material outsourcing arrangements under the Code prior to its implementation date.	Requirements for notification of newly identified material outsourcing arrangements will take effect following the transition period for implementing the Code. To reinforce this requirement, proposed amendments will be sought in due course to various Acts which do not currently include this particular material change notification obligation. These proposed changes will be subject to the normal consultation process.
	11.7	N/A	Clarification was sought as to whether any existing outsourcing arrangements which were in place for REs prior to the Code will be grandfathered and therefore	Existing outsourcing arrangements will not require approval/notification.

			not subject to the new approval requirements.	
	11.8	Part V Code	Clarification was sought as to whether the BMA intends to supervise an RE’s outsourcing arrangements by supervising the RE’s internal framework and key control function that is outsourced or the third party itself.	The Authority only supervises REs, therefore the focus of any assessment will be on the RE's effectiveness in its oversight of its third parties.
	11.9	N/A	Enquiries were made as to whether the Authority will provide additional guidance and exceptions on Outsourcing.	Currently, the Authority has no plans to issue additional guidance and exceptions to outsourcing.
	11.10	Section 5 GNs	A clarification was sought as to what is the BMAs expectation on the assessment of resilience risk.	The service provider should be testing its BCP and DR plans on a regular basis and addressing any shortcomings.
	11.11	N/A	Queries were raised as to whether REs are required to re-evaluate their third-party relationships and outsourcing agreements based on the definitions in the Code.	It is up to the REs to determine whether there is a need to review and change any contractual terms.
	11.12	18c Code	A query was raised on the requirement of the degree of transparency and for whom transparency is required as customers do not require full transparency about the relationship between REs and third parties. Similarly, a query was raised for multi-tenant cloud environments.	Transparency is between the RE and its third-party service provider. Paragraph 18c states *"Ensuring transparency in the relationship between an RE and its third-party service provider(s)"*.
	11.13	64 and 65 Code	Feedback was received that it may be a challenge to identify a vendor or third-party that declines to participate in the mapping exercise.	With reference to the mapping exercise, REs must map its third parties, but the mapping exercise is an internal RE process.

	11.14	64 and 65 Code	Feedback was received that requirements related to the vendor identifying its subcontractors may be extremely burdensome.	The Authority expects, as part of good governance, that REs would be aware of sub-contracting arrangements of third-party providers.
	11.15	60 Code	Clarity was requested on the expectations of the mapping exercise in circumstances where it may not be possible to identify all elements (people, processes, technology, facilities) and information required to deliver each of its IBS.	Paragraph 60 has been changed to *"An RE should make all reasonable efforts to identify and document to the extent possible the following 'resources'*
	11.16	65 Code	A suggestion was made to replace the phrase *"and during a severe but plausible disruption"* with *"and recover before intolerable harm is experienced."*	The Code has been amended as suggested.
	11.17	N/A	A comment was made that the prior approval process for contracting/outsourcing may hinder the speed and possibilities for innovation and testing new solutions, especially in the world of digital assets. A concern was raised that the need for prior approval from the regulator may be a barrier to rapid innovation.	As the Code and GN relate to IBS to clients, innovation and testing new solutions will only be relevant where significant harm could be caused to clients by the failure thereof.
	11.18	64 and 65 Code	A point was raised that inter-company "outsourcing" service agreements often lack the level of outside counsel scrutiny and robust risk management protections found in arms-length commercial service agreements.	Contractual details in agreements go beyond the scope of the Op Res Code. Where an RE engages in intra group arrangements with other entities within the group, it needs to ensure that the contracts are fit for purpose.
	11.19	N/A	A query was raised regarding clarification on "Outsourcing" – and whether the explicit exceptions to Outsourcing as	The new Code and GN will replace the 2019 Guidance Notes for sectors subject to the new Code and GN.

			outlined in the current 2019 Guidance Notes still apply.	
	11.20	N/A	A comment was made as to whether the Code could recognise the shared responsibility model prevalent in many outsourcing arrangements to the Cloud and the 'greater' resilience through a Cloud Service Provider (CSP) than traditional on-premises approach.	The BMA expects REs to do its due diligence when outsourcing a service and have effective oversight of third-party service providers. For cloud services, please also refer to the applicable sector Cyber Code.
	11.21	Page 13 GNs	Feedback was received that concentration risk management will pose a challenge in Bermuda due to a limited number of options.	The GN acknowledges this, stating: *"However, it is recognised that Bermuda has specific infrastructure limitations.*
	11.22	18 Code	The statement *"relies on effective third-party management"* is overly broad. Third parties are far broader than outsourcers. REs may effectively manage outsourcing risk outside the expectation they have a robust third-party risk management program in place.	While managing risk follows similar protocols, the BMA notes that in this context, the focus is resilience. Op Res as asserted in the Code, is distinct from operational risk. It necessitates effective third-party management, reaffirming the unique nuances this discipline involves compared to risk management.